

KEY FACTS

- From £2200 per cask.
- Zero VAT or tax to pay
- CGT(capital gains tax) Exempt
- Stored in secure, HMRC approved bonded warehouses
- Fully compliant HMRC appointed duty representative (Blackford Casks Ltd)
- An established market
- Aged whisky is always in-demand.
- Fully insured for fire, theft and damage with Aviva

PROJECTED GROWTH

What is the projected growth for the Scotch whisky market?

According to researchandmarkets.com the global whisky market is projected to grow at 5.51% CAGR (compound annual growth rate) during 2020 to 2025.

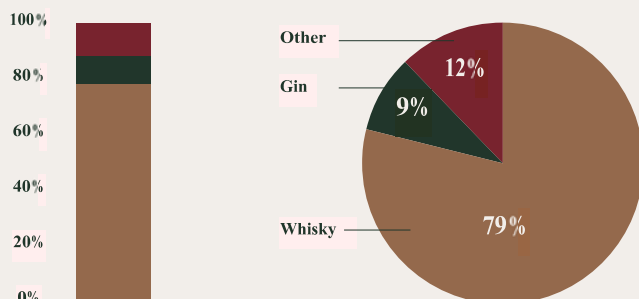
Demand for variety in Scotch whisky from fast-growing emerging markets are driving the market forward.

Lower alcohol and organic whisky amongst health-conscious drinkers are underpinning this growth. With the increased focus on healthy living across the World, people are preferring a variety of choice in their whisky.

HOW BIG IS THE MARKET?

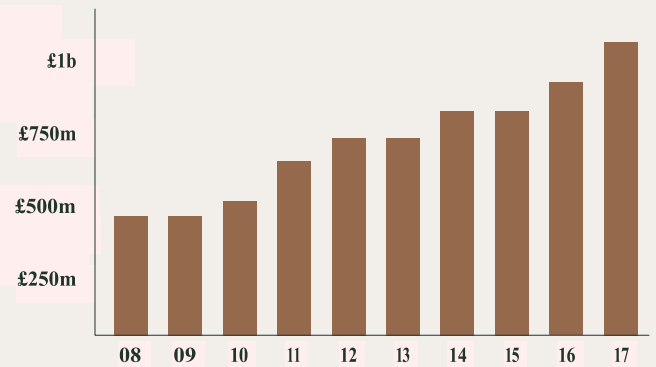
Rare whisky is currently ranked number 1 in the Knight Frank Luxury Investment Index as the asset with the biggest potential return, having achieved 40% value growth in the past year and a 582% increase since 2009.

Scotch whisky accounts for 79% of all spirits exported from the UK. In 2017, UK companies added £449 million to the value of the spirits export from the UK. Almost 80% of this growth was the result of an additional £359 million of scotch whisky.



Exports of Scotch whisky hit a record high last year. HMR C data found exports grew 7.8% by value to £4.7bn.

UK Scotch Exports 2008 - 2017 Scotch Whisky Association & HMRC



According to the BBC, the number of bottles exported in 2018 reached record levels, growing by 3.6% to £1.28 billion.

Blended Scotch achieved global exports of just over £3bn in 2018 while exports of single malts rose by 11.3% to £1.3bn.

Bulk Whisky for bottling abroad and bottled single and blended grain whisky exports together amounted to £359m.

The United States became the first billion-pound overseas market for Scotch whisky in value in 2018, growing to £1.04bn last year.

HOW IT WORKS

From £2200 per cask.

- Your cask is insured once you've purchased it.
- Maturation of your whisky cask begins in a bonded location and a certificate of ownership is issued to you.
- The more time whisky spends in the cask, the more valuable it becomes to you with targeted annual returns of between 10 – 15%.
- The greater potential return is achieved by sourcing a superior product from the offset.
- Sell your cask anytime you wish after 3 years.
- Keep 100% of the profits – No capital gains tax to pay. HMRC class whisky as a perishable asset meaning you get to keep all the profits as no tax is payable when you exit the investment.

AUDIT

As per our partners, Whisky Investment Partners (WIP) requirement with HMRC, WIP will audit the distillery every 3 months.

'WIP' will visit the warehouse to visually ensure the casks are laid down, cask numbers reconcile and they have no discrepancies. Photos will be taken of the individual casks and forwarded along with the audit report to the client.

Clients will also receive bi-annual industry and 'WIP' updates along with. Clients will be invited to specialist Whisky Investment Partners distillery tours as and when these occur

QUALITY CONTROL

At year 5, 'WIP' will arrange and pay for a 'Re-Gauge'.

This is a test on the contents of the cask to measure the current literage, alcohol strength along with a cask inspection. A small sample will be taken to send to an independent whisky specialist to blind test the taste for quality.

A 're-gauge' is advised every 5yrs thereafter as this will form part of the cask's history.

Contact

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EXIT STRATEGIES

Sale to a bottler/blender

Brands that do not have their own distilleries buy aged whisky for cashflow purposes. They buy today, bottle tomorrow and sell the day after. This is the number 1 route to exit as demand is always there. Whisky Investment Partners can facilitate this sale for a 2% fee with No VAT due.

Selling at auctions

Selling at auction can be a great way to achieve the best price as it's not uncommon for bidding wars to take place. Costs range from 5 - 15% of the selling price. No VAT is due. We can arrange this on behalf of the client for a fixed price of £250 regardless of the value.

Or, the client can arrange this themselves with no charge from us. Investment Partners ('WIP').

Our partners may make an offer to buy the cask back

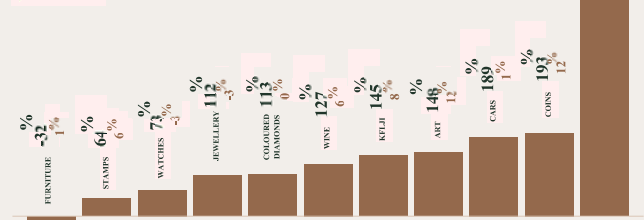
'WIP' will use bank finance to do this much like a buy-to-let mortgage. This form of lending is known as asset-backed lending (ABL). Unfortunately, this is not available to the public.

The cask would be valued independently by Sanderson Weatherall who are the specialist cask valuers to the banks. Clients would not have to accept the offer, it's only an option. Should they decide to sell to Whisky Investment Partners. There are no fees for doing so.

A Decade of Passion

The Knight Frank Luxury Investment Index Q1 2019

KEY
00% – 10 Year Growth
00% – 12 Month Growth



Source: Compiled by Knight Frank Research using data from Art Market research (art, coins, furniture, jewellery, stamps and watches), Fancy Color Research (coloured diamonds), H&D (cars), Rare Whisky 101 and Wine owners. All data Q1 2019 except watches (Q2 2018) and coins, furniture, jewellery and stamps (Q4 2018, stamps provisional)

HMRC excise Number: GBOG027641700